

KENTUCKY ASSISTIVE TECHNOLOGY LOAN CORPORATION
Building Independence Through Technology

Kentucky Assistive Technology Loan Corporation

Annual Report

State Fiscal Year 2005—2006



Kentucky Assistive Technology Loan Corporation Has Record-Breaking Year

The 2005 state fiscal year was a record-breaking year for the Kentucky Assistive Technology Loan Corporation (KATLC). KATLC received more loan applications and made more loans for more money than any previous year in its existence (KATLC began making loans in 2000). In 2005, KATLC received 146 applications and approved 97 of them for a total of \$840,673. The following table shows how 2005 compares to previous years:

State Fiscal Year	Applications	Loans	Amount of Loans*
2005-2006	146	97	\$840,673
2004-2005	99	48	\$341,886
2003-2004	126	70	\$458,607
2002-2003	97	49	\$343,810
2001-2002	44	13	\$120,153
2000-2001	59	27	\$273,590

* Some individuals did not accept the loans after being approved so the total amount loaned was less.

Staff from the Kentucky Office of Vocational Rehabilitation (OVR) provided support for the Kentucky Assistive Technology Loan Corporation for the entire year. Previously staff support had been contracted through the University of Kentucky. The OVR staff working with the project, Sarah Richardson and Nanci Shelden, has vastly improved the efficiency of the operation, greatly reducing the operating costs with staff costs alone in 2005 representing less than half of what they were in 2004.

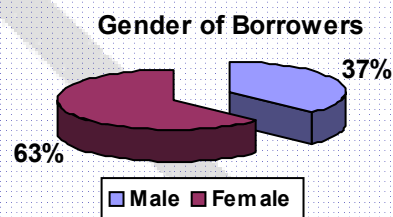
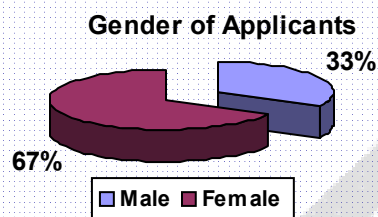
Hearing aids remained the most requested piece of equipment in 2005 with 47 loans (48.5%) being for hearing aids. Vehicle modifications remain the second most requested assistive technology with 35 loans (36.1%). Five loans (5.2%) were for home modifications. Yet, KATLC is witnessing a larger variety of assistive technology in the applications. For example, the most intriguing piece of assistive technology equipment requested in the last year was a portable hyperbaric oxygen chamber. Also, the first ever loan for a SpeechEasy augmentation communication device was made.

Near the end of the fiscal year, KATLC negotiated a new agreement with its lending partner, Fifth Third Bank of Kentucky. Effective July 1, 2006, the interest rate on all KATLC loans will increase to 5.5% from 4.75%. With the increases to the prime lending rate over the past year (now at 7.75%), some rise in KATLC's rate was inevitable. Fortunately, the increase was kept to a minimum. In today's lending environment, an interest rate of 5.5% remains very attractive. KATLC will be able to offer this rate to customers for two years as the new agreement with Fifth Third Bank will run through June 30, 2008.

For the fourth consecutive year, board member Dave Matheis presented on KATLC at a national conference. He assisted with two presentations at the Annual Conference of AT Act Programs in Baltimore, Maryland in June. KATLC continues to have a very positive national reputation as an exemplary assistive technology alternative financing program.

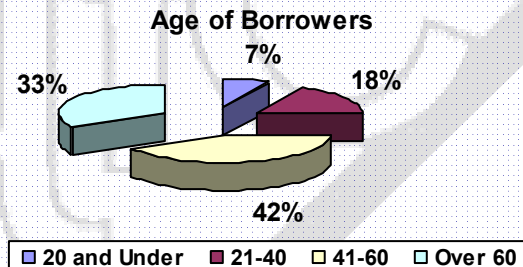
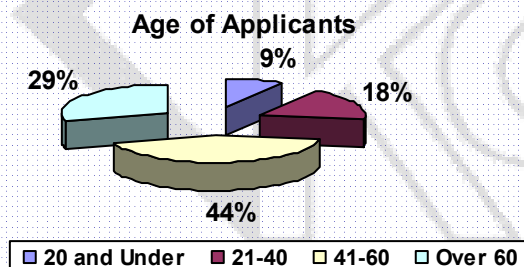
Demographics of Borrowers and Applicants

Gender:

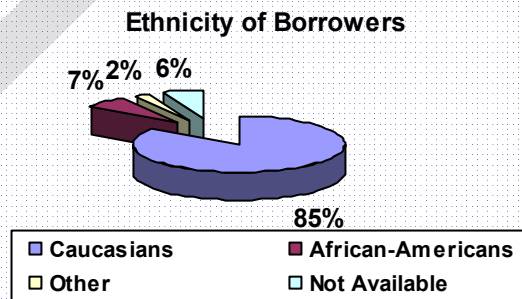
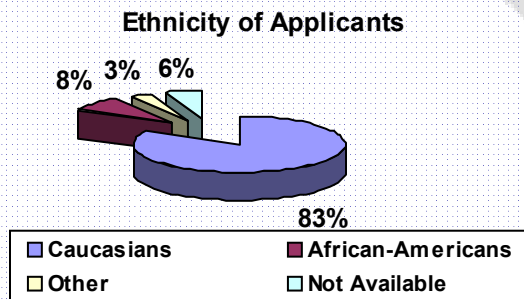


Age

The age of the individuals who would benefit from the assistive technology contained in the loan applications ranged from 4 to 90. The average age of all applicants was 50.



Ethnicity



Kentucky Assistive Technology Loan Corporation

Annual Financial Report

July 1, 2005-June 30, 2006

Income

State general fund allotment	\$100,000.00
Interest income on deposits for guarantees	\$40,348.22
Total Program Income	\$140,348.22

Expenses

Operating expenses	\$43,381.85
Bank Fees	\$547.85
Defaults (18)*	\$80,327.01
Total Program Expenses	\$124,456.71

* Defaults were greater this fiscal year because new staff at the bank and KATLC worked to insure an accurate portfolio and several borrowers died during the year.

Bank Accounts Available for Loan Guarantees

As of June 30, 2006

Savings account	\$148,528.81
Certificates of Deposit	\$1,601,991.98
Total available for loan guarantees	\$1,750,520.79

KATLC Loan History

July 1, 2000 to June 30, 2006

Total # of Loans	266
Total \$ Amount of Loans	\$2,014,636.59
Loans repaid in state FY 2005	36
\$ Amount of loans repaid in state FY 2005	\$140,107.27
Number of current loans outstanding	148
\$ Amount of outstanding loans	\$1,365,200.91
\$ Amount of outstanding loan balances	\$922,492.01

KATLC Welcomes New Board Members

In 2005, the Kentucky Assistive Technology Loan Corporation (KATLC) welcomed four new board members. Since the board only consists of seven members, this represents a turnover of a majority of the board. The new board members are Jessica Hunt, a law student at the University of Kentucky from Tompkinsville, Danny Williams, a retired Methodist minister from Frankfort, Travis Scott, a law student at the Appalachian School of Law from Leander, and Kelly Knoop, an advocate from Louisville. These individuals are replacing the four public members of the board whose terms have expired: Roberta Alston, Barbara Chambers, Gayle Vater, and Jerry Wheatley who were all original members of the board, initially appointed in 1997. In one fashion or the other, all four of them have been involved with KATLC since the creation of the Board in 1997. We want to take this opportunity to thank them for their hard work and devotion over the years.

The KATLC Board of Directors

Jessica Hunt
Tompkinsville

Kelly Knoop
Louisville

Dave Matheis
Frankfort

Steve Moore
Louisville

Travis Scott
Leander

Mike Surrey
Fort Mitchell

Danny Williams
Frankfort